

STATEMENT OF
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Department of Veterans Affairs
BEFORE THE
House Committee on Veterans' Affairs
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Mr. Chairman and members of the Committee, I am pleased to be here today to provide the views of the Department of Veterans Affairs (VA) on the "Belated Thank You to the Merchant Mariners of World War II Act of 2007," H.R. 23, 110th Congress. I am accompanied today by Mr. Thomas Pamperin, Deputy Director of the Compensation and Pension Service, and Mr. Richard Hipolit, Assistant General Counsel.

Mr. Chairman, let me start out by recognizing the sacrifices made by members of the United States Merchant Marine Service (Merchant Mariners) during World War II and note that we currently treat these individuals as veterans by virtue of their service.

With regard to H.R. 23, I note that Title 46 of the United States Code provides for the payment of burial benefits and interment in national cemeteries of certain former Merchant Mariners. H.R. 23 would amend title 46 to require VA to pay to certain Merchant Mariners the sum of \$1,000 per month. This new benefit would be available to otherwise qualified Merchant Mariners who served between December 7, 1941, and December 31, 1946, and who received

honorable-service certificates. The surviving spouse of an eligible Merchant Mariner would be eligible to receive the same monthly payment provided that he or she had been married to the Merchant Mariner for at least one year prior to the Merchant Mariner's death.

VA does not support enactment of this bill for several reasons. First, to the extent that H.R. 23 is intended to offer belated compensation to Merchant Mariners for their service during World War II, we note that many Merchant Mariners and their survivors are already eligible for veterans' benefits based on such service. Pursuant to authority granted by section 401 of the "GI Bill Improvement Act of 1977," Public Law 95-202, the Secretary of Defense in 1988 certified Merchant Mariner service in the oceangoing service between December 7, 1941, and August 15, 1945, as active military service for VA benefit purposes. As a result, these Merchant Mariners are eligible for the same benefits as other veterans of active service. This bill appears to contemplate concurrent eligibility with benefits Merchant Mariners may already be receiving from VA – a special privilege that is not available to other veterans. Further, to the extent that Merchant Mariners may be distinguished from other veterans due to the belated recognition of their service, we note that there are myriad other groups, listed at 38 C.F.R. § 3.7(x), that could claim to have been similarly disadvantaged.

Second, there can be no doubt that Merchant Mariners were exposed to many of the same rigors and risks of service as those confronted by members of the Navy and the Coast Guard during World War II. However, the universal nature of the benefit that would be provided under H.R. 23 for individuals with qualifying service and the amount of the benefit that would be payable are difficult to reconcile with the benefits VA currently pays to other veterans. H.R. 23 would create what is essentially a service pension for a particular class of individuals based on no eligibility requirement other than a valid certificate of qualifying service from the Secretary of Transportation or the Secretary of

Defense. Further, this bill would authorize the payment of a greater benefit to a Merchant Mariner, simply based on qualifying service, than a veteran currently receives for a service-connected disability rated as 60-percent disabling. As the same amount would be paid to surviving spouses under this proposal, there would be a similar disparity in favor of this benefit in comparison to the basic rate of dependency and indemnity compensation for surviving spouses as provided under chapter 13 of title 38.

Mr. Chairman, you requested our views on two alternative proposals to provide the monthly \$1,000 payment or a one-time lump-sum payment of \$20,000 to living Merchant Mariners only. Although those proposals would lessen the costs of the legislation, they would generate many of the same inequities as H.R. 23 by according Merchant Mariners significant preferential treatment not provided to other veterans.

VA estimates that enactment of H.R. 23 as introduced would result in a total additional benefit cost of approximately \$234.1 million in the first fiscal year and an additional benefit cost of \$1.4 billion over ten years. We estimate the benefit cost of a bill covering living mariners only to be \$163.4 million during the first year and \$790.3 million over ten years. We estimate the cost of providing a one-time lump sum payment to living merchant mariners in fiscal year 2008 to be \$272.4 million. We also estimate that additional administrative costs associated with the need for more employees to process claims for the new monetary benefit would be \$893,000 during the first fiscal year and \$6 million over ten years.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions you or the other members of the Committee may have.